



# Fiscal Year 2019 Town of Watertown Preliminary Budget Overview

October 10, 2017

To download this presentation, visit our website:  
[www.watertown-ma.gov](http://www.watertown-ma.gov)

# Table of Contents

- Revenue.....pgs. 3-7
- Expenditures.....pgs. 8-11
- Unreserved Fund Balance.....pg. 12
- Debt.....pgs. 15-16
- Enterprise Funds.....pgs. 17-18
- Fund Balances.....pgs. 19-23
- FY2019 Forecast.....pgs. 27-50
- Comparisons FY2018/FY2019.....pgs. 51-52
- Budget Issues.....pgs. 53

# Revenue and Other Sources

## General Fund

Revenue and Other Sources	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
Real & Personal Property Tax	\$ 90,000,507	\$ 90,988,717	\$ 94,833,185	\$ 94,730,663	\$ 100,290,991
State Aid	\$ 11,698,728	\$ 11,726,955	\$ 12,110,620	\$ 12,124,093	\$ 12,738,266
<b>Total</b>	<b>\$ 101,699,235</b>	<b>\$ 102,715,672</b>	<b>\$ 106,943,805</b>	<b>\$ 106,854,756</b>	<b>\$113,029,257</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Local Receipts - Detail

Source	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
Motor Vehicle	\$ 3,475,000	\$ 4,484,343	\$ 4,000,000	\$ 4,490,936	\$ 4,100,000
Meals Excise	\$ 510,000	\$ 529,051	\$ 510,000	\$ 532,729	\$ 520,000
Hotel and Other Excise	\$ 65,000	\$ 62,315	\$ 365,000	\$ 414,102	\$ 545,000
Penalties & Interest	\$ 250,000	\$ 381,554	\$ 250,000	\$ 273,876	\$ 250,000
PILOT	\$ 918,970	\$ 896,986	\$ 943,322	\$ 918,912	\$ 968,405
COMM. Trash	\$ 15,000	\$ 19,059	\$ 15,000	\$ 17,629	\$ 15,000
Fees	\$ 2,836,000	\$ 2,611,614	\$ 3,336,000	\$ 3,955,149	\$ 3,644,000
Rentals	\$ 104,160	\$ 123,397	\$ 103,638	\$ 110,668	\$ 127,202
Cemetery	\$ 95,000	\$ 95,085	\$ 95,000	\$ 117,325	\$ 95,000
Recreation	\$ 435,000	\$ 455,818	\$ 445,000	\$ 470,206	\$ 445,000
License & Permits	\$ 205,000	\$ 222,034	\$ 255,000	\$ 227,061	\$ 205,000
Fines & Forfeits	\$ 885,000	\$ 686,921	\$ 805,000	\$ 640,658	\$ 755,000
Investment Income	\$ 65,000	\$ 171,915	\$ 175,000	\$ 358,167	\$ 225,000
Sale of Town Prop.	\$ 5,000	\$ 350	\$ 5,000	\$ 20,875	\$ 5,000
Sale of Town Prop. – E. Branch Lib.					\$ 1,200,000
Belmont Reimb.	\$ 70,110	\$ 65,656	\$ 70,654	\$ 62,319	\$ 71,000
Grant/Employee Reimb.	\$ 50,000	\$ 23,184	\$ 50,000	\$ 19,427	\$ 25,000
Medicaid	\$ 326,000	\$ 437,993	\$ 395,000	\$ 474,659	\$ 440,000
Pro-forma Tax	\$ -	\$ -	\$ 84,400	\$ 84,408	\$ -
Patriots Day CBS Films	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ -
Miscellaneous*	\$ -	\$ 873,974	\$ -	\$ 249,999	\$ -
<b>Total</b>	<b>\$ 10,310,240</b>	<b>\$ 12,141,250</b>	<b>\$ 11,963,014</b>	<b>\$ 13,499,105</b>	<b>\$ 13,635,607</b>

\*FY2017 includes \$189,520 in accrual reversion.

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Revenue and Other Sources

Source Transfer from:	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
Sale of Lots	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Parking Meter	\$ 350,000	\$ 350,000	\$ 488,500	\$ 488,500	\$ 536,000
Cemetery	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Library Fundraising	\$ 59,000	\$ 59,000	\$ -	\$ -	\$ -
Election Reimb.	\$ 17,600	\$ 17,600	\$ -	\$ -	\$ -
Capital Proj. Stab. Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Unfunded Pension Liab. Stab. Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
ESCO Capital Project Stab. Fund	\$ 525,738	\$ 525,738	\$ 522,038	\$ 522,038	\$ 522,738
Overlay Surplus One Time Curriculum	\$ -	\$ -	\$ 375,000	\$ 375,000	\$ -
Free Cash	\$ 2,000,000	\$ 2,000,000	\$ 3,438,894	\$ 3,438,894	\$ 2,000,000
Free Cash – One Time Curriculum	\$ 375,000	\$ 375,000	\$ -	\$ -	\$ -
Free Cash – ALS Med. Equip	\$ 95,000	\$ 95,000	\$ -	\$ -	\$ -
Collective Bargaining Stabilization	\$ 3,311,752	\$ 3,311,752	\$ -	\$ -	\$ 98,503
Water Fund	\$ 1,594,219	\$ 1,594,219	\$ 1,629,999	\$ 1,629,999	\$ 1,689,103
Sewer Fund	\$ 1,333,644	\$ 1,333,644	\$ 1,399,666	\$ 1,399,666	\$ 1,458,212
<b>Total</b>	<b>\$ 10,446,953</b>	<b>\$ 10,446,953</b>	<b>\$ 8,639,097</b>	<b>\$ 8,639,097</b>	<b>\$ 7,089,556</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Revenue Summary

## (Page 1 of 2)

Source	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
Property Tax	\$ 90,000,507	\$ 90,988,717	\$ 94,833,185	\$ 94,730,663	\$ 100,290,991
State Aid	\$ 11,698,728	\$ 11,726,955	\$ 12,110,620	\$ 12,124,093	\$ 12,738,266
Local Receipts	\$ 10,310,240	\$ 12,141,250	\$ 11,963,014	\$ 13,499,105	\$ 13,635,607
Other Sources	\$ 10,446,953	\$ 10,446,953	\$ 8,639,097	\$ 8,639,097	\$ 7,089,556
<b>Total Revenue</b>	<b>\$ 122,456,428</b>	<b>\$ 125,303,875</b>	<b>\$127,545,916</b>	<b>\$ 128,992,958</b>	<b>\$133,754,420</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Revenue Summary

## (Page 2 of 2)

Source	FY2017 Budget	FY2017 Actual	Variance	FY2018 Budget
Property Tax	\$ 94,833,185	\$ 94,730,663	\$ (102,522)	\$ 100,290,991
State Aid	\$ 12,110,620	\$ 12,124,093	\$ 13,473	\$ 12,738,266
Local Receipts	\$ 11,963,014	\$ 13,499,105	\$ 1,536,091	\$ 13,635,607
Other Sources	\$ 8,639,097	\$ 8,639,097	\$ -	\$ 7,089,556
<b>Total Revenue</b>	<b>\$127,545,916</b>	<b>\$ 128,992,958</b>	<b>\$ 1,447,042</b>	<b>\$133,754,420</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Expenditures

	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
General Government	\$ 4,785,192	\$ 4,563,317	\$ 5,085,755	\$ 4,907,330	\$ 5,416,783
Public Safety	\$ 21,323,422	\$ 20,947,591	\$ 18,628,008	\$ 17,931,884	\$ 19,368,884
Public Works	\$ 4,931,908	\$ 4,580,385	\$ 4,952,964	\$ 4,765,765	\$ 5,352,105
Snow & Ice	\$ 1,031,000	\$ 1,006,648	\$ 1,902,277	\$ 1,898,009	\$ 1,250,000
Waste Disposal	\$ 2,967,835	\$ 2,865,045	\$ 3,062,052	\$ 3,005,805	\$ 3,013,658
Health & Human Services	\$ 1,077,088	\$ 1,041,311	\$ 1,201,995	\$ 1,168,805	\$ 1,377,667
Library	\$ 2,615,575	\$ 2,589,400	\$ 2,719,766	\$ 2,674,571	\$ 2,924,410
Recreation Department	\$ 260,111	\$ 259,464	\$ 277,343	\$ 276,896	\$ 349,680
Skating Arena	\$ 341,955	\$ 331,896	\$ 370,749	\$ 347,934	\$ 448,424
Education	\$ 41,452,000	\$ 41,451,225	\$ 43,577,000	\$ 43,531,426	\$ 45,751,858
<b>Total Departmental</b>	<b>\$ 80,786,086</b>	<b>\$ 79,636,281</b>	<b>\$ 81,777,909</b>	<b>\$ 80,508,425</b>	<b>\$ 85,253,469</b>

FY2016 Budget Amount for Public Safety includes \$5,392,700 for prior years' union contract settlements (Fire \$4,609,000 - Patrol \$783,700).

# Expenditures

	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
Debt Retirement	\$ 7,498,434	\$ 7,498,395	\$ 7,413,262	\$ 7,370,240	\$ 8,721,758
School Capital Projects	\$ 460,500	\$ 460,500	\$ 461,600	\$ 461,600	\$ 517,300
Town Capital Projects	\$ 1,559,341	\$ 1,559,341	\$ 2,404,558	\$ 2,404,558	\$ 1,363,858
<b>Total Debt Svc. &amp; Cap. Proj.</b>	<b>\$ 9,518,275</b>	<b>\$ 9,518,236</b>	<b>\$ 10,279,420</b>	<b>\$ 10,236,398</b>	<b>\$ 10,602,916</b>

# Expenditures

## (Page 1 of 2)

	FY2016 Budget	FY2016 Actual	FY2017 Budget	FY2017 Actual	FY2018 Budget
Total Departmental	\$ 80,786,086	\$ 79,636,281	\$ 81,777,909	\$ 80,508,425	\$ 85,253,469
Total Debt Svc. & Cap. Proj.	\$ 9,518,275	\$ 9,518,236	\$ 10,279,420	\$ 10,236,398	\$ 10,602,916
State & County Charges	\$ 2,448,681	\$ 2,529,937	\$ 2,515,878	\$ 2,552,764	\$ 2,650,379
Retirement	\$ 13,851,481	\$ 13,850,988	\$ 15,401,884	\$ 15,395,226	\$ 16,939,961
Insurance & Employee Benefits	\$ 14,674,077	\$ 14,041,746	\$ 14,605,960	\$ 14,459,620	\$ 15,361,601
Other Financing Uses	\$ 1,177,828	\$ 1,097,334	\$ 2,964,865	\$ 2,941,258	\$ 2,946,094
<b>Grand Total</b>	<b>\$ 122,456,428</b>	<b>\$ 120,674,523</b>	<b>\$ 127,545,916</b>	<b>\$ 126,093,691</b>	<b>\$ 133,754,420</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Expenditures

## (Page 2 of 2)

	FY2017 Budget	FY2017 Actual	Variance	FY2018 Budget
General Government	\$ 5,085,755	\$ 4,907,300	\$ 178,425	\$ 5,416,783
Public Safety	\$ 18,628,008	\$ 17,931,884	\$ 696,124	\$ 19,368,884
Public Works	\$ 4,952,964	\$ 4,765,765	\$ 187,199	\$ 5,352,105
Snow & Ice	\$ 1,902,277	\$ 1,898,009	\$ 4,268	\$ 1,250,000
Waste Disposal	\$ 3,062,052	\$ 3,005,805	\$ 56,247	\$ 3,013,658
Health & Human Services	\$ 1,201,995	\$ 1,168,805	\$ 33,190	\$ 1,377,667
Library	\$ 2,719,766	\$ 2,674,571	\$ 45,195	\$ 2,924,410
Recreation Department	\$ 277,343	\$ 276,896	\$ 447	\$ 349,680
Skating Arena	\$ 370,749	\$ 347,934	\$ 22,815	\$ 448,424
Education	\$ 43,577,000	\$ 43,531,426	\$ 45,574	\$ 45,751,858
<b>Total Departmental</b>	<b>\$ 81,777,909</b>	<b>\$ 80,508,425</b>	<b>\$ 1,269,484</b>	<b>\$ 85,253,469</b>
Total Debt Svc. & Cap. Proj.	\$ 10,279,420	\$ 10,236,398	\$ 43,022	\$ 10,602,916
State & County Charges	\$ 2,515,878	\$ 2,552,764	\$ (36,886)	\$ 2,650,379
Retirement	\$ 15,401,884	\$ 15,395,226	\$ 6,658	\$ 16,939,961
Insurance & Employee Benefits	\$ 14,605,960	\$ 14,459,620	\$ 146,340	\$ 15,361,601
Other Financing Uses	\$ 2,964,865	\$ 2,941,258	\$ 23,607	\$ 2,946,094
<b>Grand Total</b>	<b>\$ 127,545,916</b>	<b>\$ 126,093,691</b>	<b>\$ 1,452,225</b>	<b>\$ 133,754,420</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Unreserved Fund Balance

## Certified Free Cash Analysis

	FY2013	FY2014	FY2015	FY2016	FY2017
Unreserved Fund Balance Beginning of Fiscal Year	\$9,630,000	\$11,963,000	\$12,377,000	\$13,026,000	\$15,481,000
Revenues Over/(Under) Budget	\$2,398,000	\$ 2,028,000	\$ 2,281,000	\$ 2,847,000	\$1,447,042
Expenditures (Over)/Under Budget	\$ 600,000	\$ 1,723,000	\$ 763,000	\$ 1,782,000	\$1,452,225
Use of Free Cash	\$(1,500,000)	\$(3,000,000)	\$(3,000,000)	\$(2,000,000)	\$(3,438,894)
GAAP Adjustments	\$ 835,000	\$ (337,000)	\$ 605,000	\$ (174,000)	TBD
Unreserved Fund Balance End of Fiscal Year	\$11,963,000	\$12,377,000	\$ 13,026,000	\$ 15,481,000	\$14,941,373
Certified Free Cash	\$9,142,261	\$10,257,336	\$ 8,366,733	\$ 12,326,092	\$11,575,000

FY2017 amounts are subject to classification changes via audit.  
FY2017 Certified Free Cash is an estimated amount.

# Financial Reserve Goal

To fund and maintain Financial Reserves of 7 – 10% of the Town's annual budget, we must:

1. Preserve the Town's AAA bond rating
2. Promote financial flexibility and stability
3. Meet extraordinary and unforeseen events
4. Have sufficient liquidity and cash flow to pay bills on time without the necessity of short term borrowing

A declining reserve is an indicator that Watertown is living beyond its means.

# Capital Improvement Program

## Fiscal Year 2018 Budget Message

The five year Capital Improvement Program (CIP) is included within the FY2018 Budget.

The Fiscal Year 2018-2022 General Fund CIP totals \$368,343,100, which represents an increase of \$227,986,300 from the Fiscal Year 2017-2021 CIP. Potential renovation/reconstruction of school facilities totaling \$204,200,000 is included as a subcategory in the Fiscal Year 2018-2022 Capital Improvement Program with the funding source of “to be determined” except for one million dollars in Fiscal Year 2018 CIP; and is intended to serve as placeholders to generate community discussion regarding the broader long-term capital needs at all school facilities.

The bonding requirement for the Fiscal Year 2018-2022 CIP is \$56,695,300 and the Street and Sidewalk bonds of \$63,235,800 listed in Fiscal Year 2022 are not included in the bonding requirement.

The funding source of \$13,950,000 of the CIP has not been determined. The following are the projects/items with the funding source to be determined (TBD).

• Watertown Square Structured Parking	\$ 5,000,000
• Former Police Facility Renovation/Reuse	\$ 4,800,000
• Watertown Square Traffic Signal & Surface Maintenance	\$ 2,300,000
• Former North Branch Renovation/Reuse	\$ 1,100,000
• Multi-Service Center Renovation	\$ 500,000
• Information Technology Improvements	<u>\$ 250,000</u>
TOTAL:	\$13,950,000

The Fiscal Year 2018-2022 Water /Sewer Enterprise Funds CIP totals \$24,392,000 of which \$15,704,500 is the bonding requirement.

Projected Stormwater Improvements of \$37,000,000 with a funding source to be determined (TBD) are included within the Capital Improvement Program.

The CIP includes all known capital needs, regardless of the sources of funding.

# Permanent Debt Summary

	Permanent Debt Balances 6/30/17	Budgeted FY 2018 Bond Payments	Permanent Debt Balances 6/30/18
FY 2007 Bond Issue	\$ 400,000	\$ 100,000	\$ 300,000
FY 2008 Bond Issue	\$ 6,000,000	\$ 500,000	\$ 5,500,000
FY 2009 Refunding Bond Issue	\$ 1,159,000	\$ 1,159,000	\$ -
FY 2010 Bond Issue	\$ 3,185,000	\$ 270,000	\$ 2,915,000
FY 2012 Bond Issue	\$ 1,600,000	\$ 195,000	\$ 1,405,000
FY 2013 Bond Issue	\$ 4,870,000	\$ 245,000	\$ 4,625,000
FY 2014 Bond Issue	\$ 2,830,000	\$ 690,000	\$ 2,140,000
FY 2014 Refunding Bond Issue	\$ 5,835,000	\$ 870,000	\$ 4,965,000
FY 2016 Bond Issue	\$ 4,275,000	\$ 1,200,000	\$ 3,075,000
<b>TOTAL</b>	<b>\$ 30,154,000</b>	<b>\$ 5,229,000</b>	<b>\$ 24,925,000</b>

# Debt Summary

Description	Amount
Total Permanent Debt	\$ 24,925,000
Authorized Debt (not yet issued):	
Street and Sidewalk	\$ 2,500,000
Middle School Windows	\$ 3,313,291
Street, Sidewalk and Duct Work	\$ 2,800,000
Replacing Carpet at Library	\$ 259,400
Departmental Equipment	\$ 3,377,850
Street, Sidewalk and Duct Work	<u>\$ 975,000</u>
Subtotal:	\$ 13,225,541
Total Permanent & Short Term And Authorized Un-Issued Debt	\$38,150,541

# Sewer Enterprise Fund

	FY 2017 BUDGET	FY 2017 ACTUAL	FY 2018 BUDGET
<b>REVENUE &amp; OTHER SOURCES:</b>			
USAGE CHARGES	\$ 9,419,900	\$ 9,130,314	\$ 9,764,765
MUNICIPAL CHARGES	\$ 124,389	\$ 124,389	\$ 111,203
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 63,584	\$ 40,000
SEWER LIENS	\$ -	\$ 381,241	\$ -
OTHER UTILITY CHARGES	\$ -	\$ 78,540	\$ -
USE OF RETAINED EARNINGS	\$ 250,000	\$ 250,000	\$ 500,000
INTEREST INCOME	\$ 15,000	\$ 8,624	\$ 15,000
<b>TOTAL REVENUE</b>	<b>\$ 9,849,289</b>	<b>\$ 10,036,692</b>	<b>\$ 10,430,968</b>
<b>EXPENDITURE &amp; OTHER USES:</b>			
PERSONNEL SERVICES	\$ 438,003	\$ 415,411	\$ 514,129
SUPPLIES AND SERVICES	\$ 456,420	\$ 446,627	\$ 654,032
MWRA ASSESSMENT	\$ 6,006,615	\$ 5,971,377	\$ 6,126,647
CAPTIAL OUTLAY	\$ 970,000	\$ 969,259	\$ 1,055,000
TRANSFER TO GENERAL FUND	\$ 1,399,666	\$ 1,399,666	\$ 1,458,212
TRANSFER TO CAP. PROJECT/SEWER	\$ 250,000	\$ 250,000	\$ 250,000
DEBT SERVICE	\$ 328,585	\$ 207,475	\$ 372,948
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,849,289</b>	<b>\$ 9,659,814</b>	<b>\$ 10,430,968</b>

# Water Enterprise Fund

	FY 2017 BUDGET	FY 2017 ACTUAL	FY 2018 BUDGET
<b>REVENUE &amp; OTHER SOURCES:</b>			
USAGE CHARGES	\$ 6,568,718	\$ 6,743,430	\$ 6,881,172
MUNICIPAL CHARGES	\$ 255,930	\$ 255,930	\$ 254,188
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 40,774	\$ 40,000
WATER LIENS	\$ -	\$ 224,506	\$ -
OTHER UTILITY CHARGES	\$ 30,000	\$ 222,100	\$ 30,000
TEST CHARGES	\$ 50,000	\$ 107,425	\$ 50,000
USE OF RETAINED EARNINGS	\$ 250,000	\$ 250,000	\$ 500,000
SALE OF PROPERTY		\$ 11,185	
INTEREST INCOME	\$ 10,000	\$ 5,258	\$ 10,000
<b>TOTAL REVENUE</b>	<b>\$ 7,204,648</b>	<b>\$ 7,860,608</b>	<b>\$ 7,765,360</b>
<b>EXPENDITURE &amp; OTHER USES:</b>			
PERSONNEL SERVICES	\$ 905,168	\$ 892,666	\$ 973,437
SUPPLIES AND SERVICES	\$ 365,752	\$ 348,600	\$ 353,500
MWRA ASSESSMENT	\$ 3,303,955	\$ 3,290,986	\$ 3,401,796
CAPITAL OUTLAY	\$ 211,000	\$ 210,963	\$ 236,000
TRANSFER TO GENERAL FUND	\$ 1,629,999	\$ 1,629,999	\$ 1,689,103
TRANSFER TO CAP. PROJECT/WATER	\$ 250,000	\$ 250,000	\$ 500,000
DEBT SERVICE	\$ 538,774	\$ 488,774	\$ 611,524
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,204,648</b>	<b>\$ 7,111,988</b>	<b>\$ 7,765,360</b>

# Water & Sewer Prior Year Funds

## Balances as of July 1, 2017

Account Description	Current Year Fund Carryover
<b>Water:</b>	
Improvements	\$ 386,479
Street Repair Services	\$ 128,960
Sidewalk Repair Services	\$ 95,500
Water Materials & Supplies	\$ 47,014
Computer Maintenance	\$ 22,584
Printing & Forms	\$ 15,500
Replacement Of Equipment	\$ -
<b>Total Water Prior Year</b>	<b>\$ 696,037</b>
<b>Sewer:</b>	
Improvements	\$ 2,934,783
Contracted Services	\$ 444,627
Rental Of Equipment	\$ 253,386
Additional Equipment	\$ 153,237
Replacement Of Equipment	\$ 71,075
Street Repair Services	\$ 65,000
Sidewalk Repair Services	\$ 59,277
Sewer Materials & Supplies	\$ 45,978
<b>Total Sewer Prior Year</b>	<b>\$ 4,027,363</b>

# Overlay Accounts

## Balances as of June 30, 2017

Fiscal Year	Amounts
2005 - 2009	\$ 52,760
2010	\$ 152,354
2011	\$ 40,332
2012	\$ 411,925
2013	\$ 191,837
2014	\$ 215,348
2015	\$ 501,671
2016	\$ 378,268
2017	\$ 311,455
	\$ 2,255,950

# Special Revenue Accounts

## Balances as of June 30, 2017

Fund Description	Fund Balance
FY17 Circuit Breaker	\$ 1,917,274
O'Neill Property Charitable	\$ 1,189,536
Parking Meter Fund *	\$ 560,711
Pre-kindergarten Revolving	\$ 342,660
Community Dev. Block Grant	\$ 286,724
Affordable Housing Dev	\$ 262,078
Commander's Mansion Revolving	\$ 252,709
Foundation Reserve Award	\$ 249,838
Sale Of Cemetery Lots *	\$ 240,025
Recreation Revolving	\$ 182,106
Integrated Pre-school Revolving	\$ 177,879
Lowell School Extended Day	\$ 168,924
<b>Top Twelve Total</b>	<b>\$ 5,830,464</b>
All Others (107)	\$ 1,381,870
<b>Total Special Revenue (119)</b>	<b>\$ 7,212,334</b>

\* Includes amounts to be transferred for FY2018 Budget.

# Capital Projects Accounts

Balances as of June 30, 2017

Fund Description	Fund Balance
Middle School Windows Loan Order	\$ 1,275,269
FY17 Street and Sidewalk	\$ 917,008
FY17 Street and Sidewalk Loan Order	\$ 750,894
Fire Ambulance and Fire Pumper	\$ 585,570
FY15 Sewer Improvements	\$ 500,000
FY16 Sewer Improvements	\$ 500,000
Police Station Building	\$ 445,681
FY16 Street and Sidewalk	\$ 441,966
MWRA I and I Grant/ Loan Order	\$ 428,430
FY15 Street and Sidewalk Loan Order	\$ 426,311
DPW Equipment	\$ 410,000
DPW Renovation	\$ 296,271
FY17 Water Improvements	\$ 250,000
FY17 Sewer Improvements	\$ 250,000
<b>Top Fourteen Total</b>	<b>\$ 7,477,400</b>
All Others (64)	\$ 2,844,930
<b>Total Capital Projects (78)</b>	<b>\$ 10,322,330</b>

# Stabilizations, Trusts and Agency Accounts

## Balances as of June 30, 2017

Fund Description	Balance
Capital Projects Stabilization *	\$ 1,529,688
Stabilization Fund	\$ 1,249,731
OPEB Stabilization	\$ 1,218,163
Federal Law Enforcement Trust	\$ 1,181,632
ESCO Stabilization*	\$ 1,090,085
Cemetery Perpetual Care (Non-expendable)	\$ 967,476
SPED Stabilization	\$ 798,148
Unfunded Pension Liability Stabilization*	\$ 520,418
Collective Bargaining Stabilization*	\$ 466,661
Albert Fleming Scholarship (Non-expendable)	\$ 300,000
<b>Top Ten Total</b>	<b>\$ 9,322,002</b>
All Others (66)	\$ 820,301
<b>Total Trusts &amp; Agency (76)</b>	<b>\$ 10,142,303</b>

\* Includes amounts to be transferred for FY2018 Budget

# FY2018 Budget Development

(Included for background informational purposes)

To preserve the Town's financial condition we must:

1. Continue to strive to provide the highest level of essential services possible with the most efficient utilization of resources.
2. Ensure annual costs of all operations to be funded on an annual basis out of current revenues.
3. Not defer maintenance and/or recognition of costs of capital equipment, facilities and infrastructure to future years.
4. Remain focused on achieving our long term goal of sound financial management and fiscal stability.
5. Present budget based on sound business practices.

# Town Council FY2018 Budget Policy Guidelines (Page 1 of 2)

## (adopted November 22, 2016)

The following are the top two priorities of the ranked Cost-Savings/Revenues Guidelines and the top six priorities of the ranked Program Enhancements/Expenditures Guidelines:

- Continue to proceed with the guidelines of the Strategic Framework for Economic Development, with the long-term goal to promote a diversified and growing tax base.
- Continue pursuing mitigation monies and/or other measures for larger scale projects.
- Work with the School Committee and Administration to develop long-range plans, including budget, timeline, and identification of funding sources and mechanisms to address school building requirements in order to meet the identified needs for enrollment and programs.
- Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive 5-year educational budget that assures sustainable funding for our schools and the successful education of our children. Seek to accommodate the Manager's forecast 5% school operating budget increase for FY18, subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 11, 2016 Preliminary Budget Overview.

## Town Council FY2018 Budget Policy Guidelines (Page 2 of 2)

(adopted November 22, 2016)

- Implement the Watertown Transportation Management Association (TMA).
- Develop a five year plan and funding schedule for the integrated improvements of the Town's streets and sidewalks, water-sewer-stormwater infrastructure, and underground utilities. The plan should show status of ongoing projects, identify future projects including those with no funding source, and include upgrade of all water meters, identify sources of stormwater and sewage outflow to the Charles River, and coordination with water-sewer-stormwater projects and underground utility projects.
- Continue to implement the recommendations in the Staffing and Operational Assessment of the Public Works Department and implement changes to improve the operational efficiency, flexibility, and capacity of the Department to meet the Town's growing needs to manage contractors, respond to work order requests, oversee development projects, and plan and implement infrastructure improvements. Consider what technology platforms are needed to support the Department.
- Enhance the capabilities of the IT Department, including managing the upgraded town website and improving communications with residents.

# FY2019 Preliminary Budget Overview – Revenues & Expenditures

- Annual revenues and expenditures will be estimated by use of objective analysis. The assumptions and factors through which the estimates are derived will be clearly stated and explained during the budget process.
- The numbers provided are preliminary and subject to change as the budget process evolves.

# Revenue Forecast

## Assumptions:

Real Estate and Personal Property taxes are increased 2.5% per year. New growth is projected to be \$3,300,000 in FY 2019, \$3,500,000 in FY 2020 and \$3,750,000 in FY 2021.

Funding for the Optional Tax Exemption for homeowners at 100% over the statutory level is included in the overlay adjustment.

State Aid is level funded at the FY2018 amount.

The majority of Local Receipts are projected to remain constant or increase 2.5% annually. Motor Vehicle Excise is projected at \$4,100,000 annually and investment income is projected at \$225,000 annually through FY 2021. Other Excise (Hotel) is projected to increase \$250,000 in FY 2020 and in FY 2021. Inspection Fees are projected to decrease by \$1,050,000 in FY 2021.

# Revenue Forecast

Other Financing Sources reflect transfers from the following:

- Parking Meter Fund to offset the Parking Lots and Meters Budget.
- Cemetery Perpetual Care Expendable Trust Fund and the Sale of Lots Fund to partially offset the Department of Public Works Cemetery Budget.
- Water and Sewer Enterprise Funds to cover applicable indirect costs and debt service.
- Transfer from the Unfunded Pension Liability Stabilization Fund is projected at \$250,000 in FY 2019, which represents the balance of the Fund.

# Revenue Forecast

Utilization of Free Cash is recommended at a level of \$2,000,000 annually through FY 2021, which includes \$250,000 annually for the Special Education Stabilization Fund.

Transfer from the Capital Projects Stabilization Fund is projected at \$500,000 annually through FY 2020, which represents the current balance of the Fund.

Transfer from the ESCO Capital Project Stabilization Fund includes projected funds from departmental energy savings, rebates and grants.

# Revenue Forecast

## Taxes

Taxes	FY2018	FY2019	FY2020	FY2021
Prior Year Levy Limit	\$ 95,657,981	\$ 101,193,511	\$ 107,023,349	\$ 113,198,933
Add 2.5%	\$ 2,391,450	\$ 2,529,838	\$ 2,679,584	\$ 2,829,973
New Growth	\$ 3,144,080	\$ 3,300,000	\$ 3,500,000	\$ 3,750,000
Adjusted Levy Limit	\$ 101,193,511	\$ 107,023,349	\$ 113,198,933	\$ 119,788,906
Overlay	\$ (975,000)	\$ (1,075,000)	\$ (975,000)	\$ (975,000)
Debt Exclusion	\$ 72,480	\$ -	\$ -	\$ -
<b>Net Levy Limit</b>	<b>\$ 100,290,991</b>	<b>\$ 105,948,349</b>	<b>\$ 112,223,933</b>	<b>\$ 118,803,906</b>

# Revenue Forecast

## State Aid

State Aid	FY2018	FY2019	FY2020	FY2021
Cherry Sheet Receipts	\$ 11,825,058	\$ 11,825,058	\$ 11,825,058	\$ 11,825,058
School Construction Reimbursement	\$ 913,208	\$ -	\$ -	\$ -
<b>Total State Aid</b>	<b>\$ 12,738,266</b>	<b>\$ 11,825,058</b>	<b>\$ 11,825,058</b>	<b>\$ 11,825,058</b>

# Revenue Forecast

## Local Receipts (1 of 2)

	FY2018	FY2019	FY2020	FY2021
Motor Vehicle Excise	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000
Meals Excise	\$ 520,000	\$ 533,000	\$ 546,325	\$ 559,983
Hotel & Other Excise	\$ 545,000	\$ 545,000	\$ 795,000	\$ 1,045,000
Penalties & Interest	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
PILOT	\$ 968,405	\$ 994,240	\$ 1,020,849	\$ 1,048,257
Commercial Trash	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Fees	\$ 3,644,000	\$ 3,735,100	\$ 3,828,478	\$ 2,847,939
Rentals	\$ 127,202	\$ 124,785	\$ 124,154	\$ 123,509
Cemetery	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
Recreation	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000

# Revenue Forecast

## Local Receipts (2 of 2)

	FY2018	FY2019	FY2020	FY2021
Licenses & Permits	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000
Fines & Forfeits	\$ 755,000	\$ 755,000	\$ 755,000	\$ 755,000
Investment Income	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Sale of Town Property	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Sale of Town Property – East Branch Library	\$ 1,200,000			
Belmont Reimbursement	\$ 71,000	\$ 72,420	\$ 73,868	\$ 75,346
Grant/Employee Reimbursements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Medicaid Reimbursements	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000
<b>Total Local Receipts</b>	<b>\$ 13,635,607</b>	<b>\$ 12,564,545</b>	<b>\$ 12,948,674</b>	<b>\$ 12,260,034</b>

# Revenue Forecast

## Other Financing Sources

Transfer from:	FY2018	FY2019	FY2020	FY2021
Sale of Lots	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Parking Meter	\$ 536,000	\$ 350,000	\$ 350,000	\$ 350,000
Cemetery Perpetual Care	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Capital Project Stabilization	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Unfunded Pension Liab. Stab.	\$ 250,000	\$ 250,000	\$ -	\$ -
ESCO Capital Proj. Stabilization	\$ 522,738	\$ 517,238	\$ 515,688	\$ 508,388
Collective Bargaining Stabilization	\$ 98,503			
Water Fund	\$ 1,689,103	\$ 1,731,331	\$ 1,374,614	\$ 1,408,980
Sewer Fund	\$ 1,458,212	\$ 1,494,667	\$ 1,332,034	\$ 1,365,335
Free Cash	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Total Other Sources</b>	<b>\$ 7,089,556</b>	<b>\$ 6,878,236</b>	<b>\$ 6,107,336</b>	<b>\$ 5,667,703</b>

# Utilization of Free Cash & Overlay Surplus

Source	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Free Cash - Annual	\$1,750,000	\$2,000,000	\$3,438,894	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Free Cash – SPED Stabilization	\$ -	\$ -	\$ -	\$250,000	\$250,000	\$250,000	\$250,000
Free Cash – 1 Time Curriculum	\$250,000	\$375,000	\$ -	\$ -	\$ -	\$ -	\$ -
Overlay Surplus – 1 Time Curriculum	\$500,000	\$ -	\$375,000	\$ -	\$ -	\$ -	\$ -
Free Cash – ALS Medical Equip.	\$ -	\$95,000	\$ -	\$ -	\$ -	\$ -	\$ -
Free Cash - Collective Bargaining Stabilization	\$400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Free Cash – Trans/Comp Plan Imp Services	\$130,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$3,030,000</b>	<b>\$2,470,000</b>	<b>\$3,813,894</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>

FY2017 annual free cash includes 10/25/16 Budget Amendment of \$1,015,894 (10 Winter Street - \$796,000) and 4/25/17 Budget Amendment of \$423,000 (DPW equipment & GIS).

# Revenue Forecast Summary

Source	FY2018	FY2019	FY2020	FY2021
Real Estate & Personal Prop. Tax	\$ 100,290,991	\$ 105,948,349	\$ 112,223,933	\$ 118,803,906
State Aid	\$ 12,738,266	\$ 11,825,058	\$ 11,825,058	\$ 11,825,058
Local Receipts	\$ 13,635,607	\$ 12,564,545	\$ 12,948,674	\$ 12,260,034
Other Financing Sources	\$ 7,089,556	\$ 6,878,236	\$ 6,107,336	\$ 5,667,703
<b>Total Revenue</b>	<b>\$ 133,754,420</b>	<b>\$ 137,216,188</b>	<b>\$ 143,105,001</b>	<b>\$ 148,556,701</b>

FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

# Expenditure Forecast

## Assumptions:

Departmental expenditures are projected to increase \$971,360 (2.5%) in FY 2019, \$996,094 (2.5%) in FY 2020 and \$1,021,461 (2.5%) in FY 2021.

The Education appropriation is projected to increase \$2,287,593 (5%) in FY 2019, \$2,401,972 (5%) in FY 2020, and \$2,522,072 (5%) in FY 2021.

Snow and Ice Removal is projected at \$1,250,000 through FY 2021.

The Waste Disposal appropriation is projected to increase 3% annually and includes funding of the Service Agreement with Wheelabrator North Andover and the new single stream recycling and automated trash collection services with Republic Services.

# Expenditure Forecast

State assessments, exclusive of the MBTA assessment, are projected to increase 2.5% annually. The MBTA assessment is projected to increase 2.75% annually.

The Watertown Contributory Retirement Board has submitted a Funding Schedule to the Public Employee Retirement Administration Commission for approval. Subsequent to a \$7,439,956 payment on July 1, 2019 (FY 2020), the Retirement System will be fully funded. Pension costs are projected to increase \$1,545,611 in FY 2019; decrease \$11,045,616 in FY 2020 and decrease \$6,958,917 in FY 2021.

A long-range financial plan for addressing the Unfunded Other Post-Employment Benefits (OPEB) Liability of \$132.9 million will be created and commence in FY2020 with \$3,445,616 and \$10,404,533 available for pay downs of the Town's OPEB Liability in FY 2020 and FY 2021 respectively.

# Expenditure Forecast

Health Insurance costs, included within Insurance & Employee Benefits, are projected to increase 7.5% annually.

Debt figures are from current and projected future debt as listed in the FY 2018-2022 CIP / Debt Projection Table of the Capital Improvement Program; and includes financing of the Building for the Future Initiative beginning in FY 2020. The level of projected debt may change pending decisions on various projects that are listed within the Proposed FY 2018-2022 Capital Improvement Program, the Building for the Future Initiative, the Roadway Management Study and the Facilities Assessment Study.

Street and Sidewalk Improvements are projected to increase 5% annually.

Town and School Capital Projects are listed in the Capital Improvement Program.

Transfer to the Special Education Stabilization Fund is projected at \$250,000 annually through FY 2021.

# Expenditure Forecast

## Departmental Expenditures

Source	FY2018	FY2019	FY2020	FY2021
General Government	\$ 5,416,783	\$ 5,552,203	\$ 5,691,008	\$ 5,833,283
Public Safety	\$ 19,368,884	\$ 19,853,106	\$ 20,349,434	\$ 20,858,170
Public Works	\$ 5,352,105	\$ 5,485,908	\$ 5,623,055	\$ 5,763,632
Snow & Ice Removal	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
Waste Disposal	\$ 3,013,658	\$ 3,104,068	\$ 3,197,190	\$ 3,293,105
Health & Human Services	\$ 1,377,667	\$ 1,412,109	\$ 1,447,411	\$ 1,483,597
Library	\$ 2,924,410	\$ 2,997,520	\$ 3,072,458	\$ 3,149,270
Recreation	\$ 798,104	\$ 818,057	\$ 838,508	\$ 859,471
Education	\$ 45,751,858	\$ 48,039,451	\$ 50,441,423	\$ 52,963,495
<b>Total Departmental</b>	<b>\$ 85,253,469</b>	<b>\$ 88,512,422</b>	<b>\$ 91,910,488</b>	<b>\$ 95,454,021</b>
Insurance & Employee Benefits	\$ 15,361,601	\$ 16,431,526	\$ 17,579,849	\$ 18,812,383

# Expenditure Forecast

## FY 2018 Education Appropriation

(Included for background informational purposes)

The two top priorities of the Program Enhancements/Expenditures section of the Honorable Town Council's Fiscal Year 2018 Budget Policy Guidelines reads as follows:

- II. A. Work with the School Committee and Administration to develop long-range plans, including budget, timeline, and identification of funding sources and mechanisms to address school building requirements in order to meet the identified needs for enrollment and programs.
- II. B. Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive 5-year educational budget that assures sustainable funding for our schools and the successful education of our children. Seek to accommodate the Manager's forecast 5% school operating budget increase for FY18, subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 11, 2016 Preliminary Budget Overview.

# Expenditure Forecast

## FY 2018 Education Appropriation

(Included for background informational purposes)

Source	FY2018	FY2019	FY2020	FY2021
Education*	\$ 45,751,858	\$ 48,039,451	\$ 50,441,423	\$ 52,963,495

The Submitted Fiscal Year 2018 Budget continues the Town's very strong commitment to Education. The adopted funding level for the Fiscal Year 2018 Education appropriation is \$45,751,858, which is an increase of \$2,174,858 over the Fiscal Year 2017 Education appropriation.

The Submitted Fiscal Year 2018 School Health Insurance appropriation is \$5,012,585, an increase of \$232,585 above the revised Fiscal Year 2017 Level. Included within the School Health Insurance appropriation are monies related to projected staffing in Fiscal Year 2018, the 20.25 new positions in Fiscal Year 2017, the 21.2 new positions in Fiscal Year 2016 and the 18.3 new positions in Fiscal Year 2015.

As indicated earlier in this presentation, the Expenditure Forecast included within the Submitted Fiscal Year 2018 Budget document has Departmental Expenditures projected to increase 2.5% annually from Fiscal Year 2019 through Fiscal Year 2021. The Education appropriation is projected to increase 5.0% annually from Fiscal Year 2019 through Fiscal Year 2021.

We look forward to continue working collaboratively with the Watertown Public Schools to develop a comprehensive multi-year Education Budget that assures sustainable funding for our schools and the successful education of our children.

The Honorable Town Council adopted a Motion to undertake a third party financial review of the general and special education school budget in order to better understand how to best proceed with future funding to meet the Schools' needs. On March 21, 2016, the Honorable Town Council and Honorable School Committee held a joint meeting in order to have a presentation on the Third Party Review of the General and Special Education Budgets by RSM (formerly McGladrey). There are twenty nine (29) recommendations included in the Third Party Review. The Honorable School Committee at their April 4, 2016 meeting assigned the twenty nine (29) recommendations for follow-up. Since receiving the report, twelve (12) of the recommendations have been fully implemented; sixteen (16) have been substantially implemented; and one (1) has not been implemented.

\* The Education appropriation is projected to increase \$2,287,593 (5%) in FY 2019, \$2,401,972 (5%) in FY 2020 and \$2,522,072 (5%) in FY 2021.

# Building for the Future Initiative

On July 27, 2017, the Honorable Town Council and the Honorable School Committee held a joint meeting regarding the Building for the Future Initiative. Building for the Future is a comprehensive, forward-looking initiative to address learning, operational and capacity improvements for all school facilities.

The high school and three elementary schools have been identified as high priorities; and therefore steps are being taken to advance the continued development of both projects simultaneously, with the high school potentially on a path for MSBA assistance and the elementary schools on a non MSBA path. A timeline was presented whereby the potential Elementary Schools Project estimated at \$80 million - \$120 million could be completed prior to the high school construction beginning in 2021.

As a follow-up, Request for Owner's Project Manager Services (OPM) and Request for Proposals for Designer Services for the potential Elementary Schools Project have been issued. Funding of the OPM and Designer Services will be requested in October and/or November.

Subsequent to funding the above, additional community discussion will be held regarding the three elementary schools along with the long-term capital needs for the high school.

As previously stated, proposed financing of the \$80 million - \$120 million Elementary Schools Project is included in the Debt and Interest Forecast beginning in FY 2020, all within the confines of Proposition 2 ½.

## Expenditure Forecast 4/25/2017 – Submission of the Fiscal Year 2018 Budget

Source	FY2018	FY2019	FY2020	FY2021
Pension Costs	\$ 16,939,961	\$ 17,695,773	\$ 2,075,773	\$ 2,087,773
Other Post Employment Benefits (OPEB)	\$ -	\$ -	\$ 15,620,000	\$ 15,608,000
TOTAL	\$ 16,939,961	\$17,695,773	\$17,695,773	\$17,695,773

## Expenditure Forecast 10/10/2017 – Fiscal Year 2019 Preliminary Budget Overview

Source	FY2018	FY2019	FY2020	FY2021
Pension Costs*	\$ 16,939,961	\$ 18,485,572	\$ 7,439,956	\$ 481,039
Other Post Employment Benefits (OPEB)	\$ -	\$ -	\$ 3,445,616	\$ 10,404,533
School Construction Project (3 Elementary)	\$ -	\$ -	\$ 7,600,000	\$ 7,600,000
TOTAL	\$ 16,939,961	\$ 18,485,572	\$ 18,485,572	\$ 18,485,572

- As of January 1, 2017, the Unfunded Pension Liability is estimated to be \$35,985,057.
- As of July 1, 2015, the Unfunded OPEB Liability is estimated to be \$132,944,757.

# Expenditure Forecast

## Debt and Interest

Source	FY2018	FY2019	FY2020	FY2021
Permanent Debt/Interest	\$ 5,829,084	\$ 3,952,489	\$ 3,749,164	\$ 2,521,139
ESCO (Permanent)	\$ 522,738	\$ 517,238	\$ 515,688	\$ 508,388
Streets & Sidewalks (Authorized)	\$ 1,417,375	\$ 2,057,413	\$ 3,100,900	\$ 3,597,188
Other (Planned)	\$ 947,561	\$ 2,456,151	\$ 2,976,623	\$ 4,072,937
School Construction Project (3 Elementary)			\$ 7,600,000	\$ 7,600,000
Cost of Certifying Bonds	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Expenditure</b>	<b>\$ 8,721,758</b>	<b>\$ 8,988,291</b>	<b>\$ 17,947,375</b>	<b>\$ 18,304,652</b>

# Expenditure Forecast

## Capital Projects

Source	FY2018	FY2019	FY2020	FY2021
Town Capital	\$ 401,000	\$ 215,000	\$ 215,000	\$ 215,000
School Capital Projects	\$ 517,300	\$ 476,200	\$ 469,500	\$ 405,000
Street & Sidewalk Improvements	\$ 962,858	\$ 1,011,001	\$ 1,061,551	\$ 1,114,629
<b>Total Expenditure</b>	<b>\$ 1,881,158</b>	<b>\$ 1,702,201</b>	<b>\$ 1,746,051</b>	<b>\$ 1,734,629</b>

# Expenditure Forecast

Source	FY2018	FY2019	FY2020	FY2021
Departmental	\$ 85,253,469	\$ 88,512,422	\$ 91,910,488	\$ 95,454,021
Insurance & Employee Benefits	\$ 15,361,601	\$ 16,431,526	\$ 17,579,849	\$ 18,812,383
Pension Costs	\$ 16,939,961	\$ 18,485,572	\$ 7,439,956	\$ 481,039
OPEB	\$ -	\$ -	\$ 3,445,616	\$ 10,404,533
Debt & Interest	\$ 8,721,758	\$ 8,988,291	\$ 17,947,375	\$ 18,304,652
Capital Projects	\$ 1,881,158	\$ 1,702,201	\$ 1,746,051	\$ 1,734,629
State Assessments	\$ 2,650,379	\$ 2,722,184	\$ 2,795,937	\$ 2,871,691
Other Financing Uses & Misc.	\$ 2,946,094	\$ 2,549,526	\$ 2,558,889	\$ 2,568,486
<b>Total Expenditure</b>	<b>\$ 133,754,420</b>	<b>\$ 139,391,723</b>	<b>\$ 145,424,161</b>	<b>\$ 150,631,434</b>

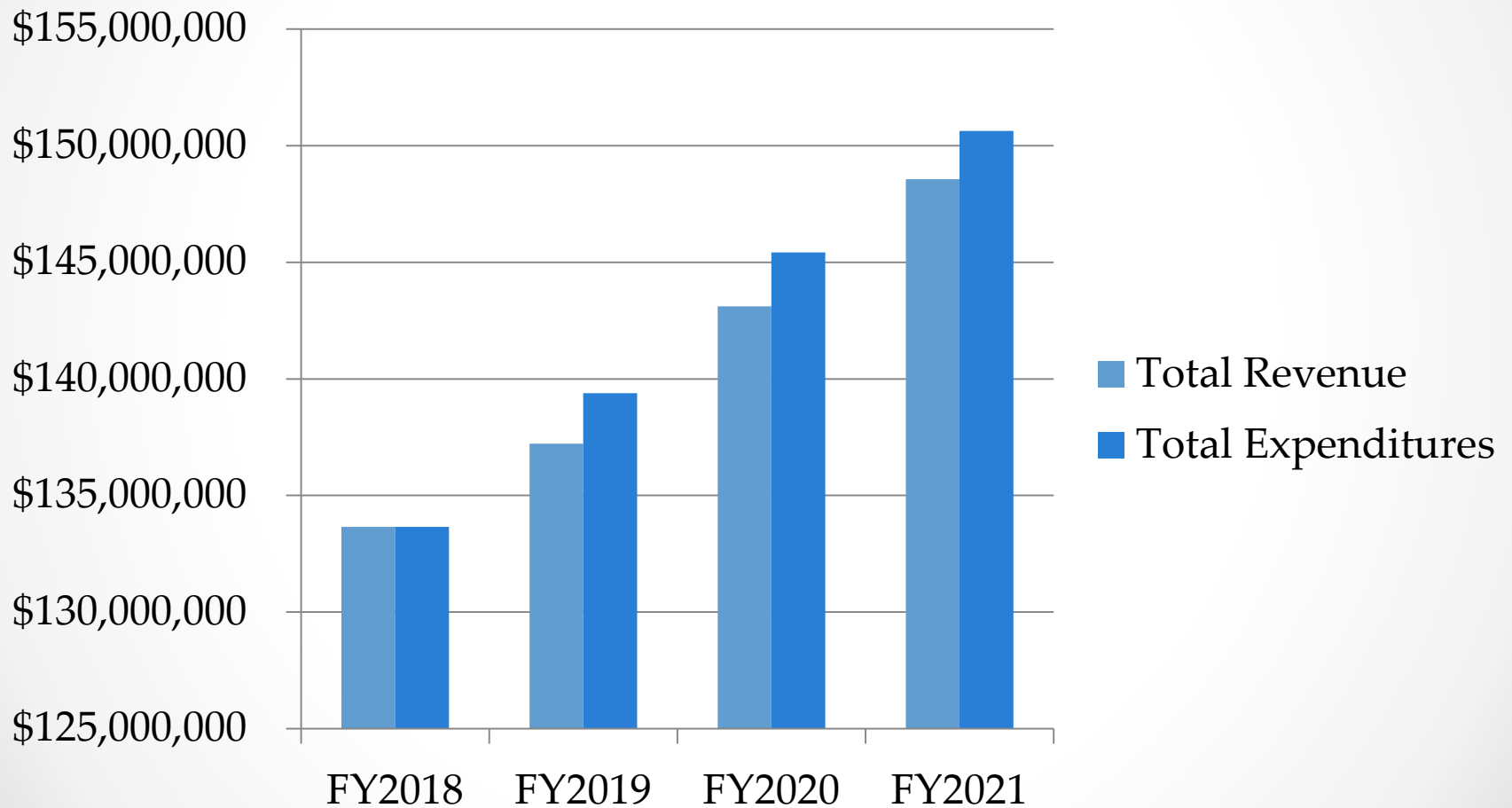
FY2018 Budget amounts include Proposed FY2018 Budget Amendment of \$1,126,420.

FY2020 & FY2021 Debt & Interest appropriations include \$7,600,000 for three Elementary Schools' Project.

# Forecast Summary

	FY2018	FY2019	FY2020	FY2021
Total Revenue	\$ 133,754,420	\$ 137,216,188	\$ 143,105,001	\$ 148,556,701
Total Expenditures	\$ 133,754,420	\$ 139,391,723	\$ 145,424,161	\$ 150,631,434
Projected Surplus/(Deficits)	\$ -	\$ (2,175,535)	\$ (2,319,160)	\$ (2,074,733)
Prior Year Balance Budget	\$ -	\$ -	\$ 2,175,535	\$ 2,319,160
Remaining Surplus/(Deficit)	\$ -	\$ (2,175,535)	\$ (143,625)	\$ 244,427

# Forecast Summary



# Forecast Comparison

	Projected 4/25/17 FY2019 Budget	Projected 10/10/17 FY2019 Budget	Variance
<b>Revenue:</b>			
Taxes	\$ 106,108,167	\$ 105,948,349	\$ (159,818)
State Aid	\$ 11,841,221	\$ 11,825,058	\$ (16,163)
Local Receipts	\$ 12,564,545	\$ 12,564,545	\$ -
Other Financing Sources	\$ 6,878,236	\$ 6,878,236	\$ -
<b>Total Revenue</b>	<b>\$ 137,392,169</b>	<b>\$ 137,216,188</b>	<b>\$ (175,981)</b>
<b>Expenditures:</b>			
Education Appropriation	\$ 48,039,451	\$ 48,039,451	\$ -
Town Depts. Approp.	\$ 35,640,247	\$ 36,118,904	\$ (478,657)
Waste Disposal	\$ 3,104,068	\$ 3,104,068	\$ -
Snow & Ice Removal	\$ 1,250,000	\$ 1,250,000	\$ -
State Assessments	\$ 2,721,827	\$ 2,722,184	\$ (357)
Pension Costs	\$ 17,695,773	\$ 18,485,572	\$ (789,799)
Insurance & Employee Benefits	\$ 16,431,526	\$ 16,431,526	\$ -
Debt and Interest	\$ 8,988,291	\$ 8,988,291	\$ -
Capital Projects & OFU	\$ 4,251,727	\$ 4,251,727	\$ -
<b>Total Expenditures</b>	<b>\$ 138,122,910</b>	<b>\$ 139,391,723</b>	<b>\$ (1,268,813)</b>
<b>Projected Surplus/(Deficit)</b>	<b>\$ (730,741)</b>	<b>\$ (2,175,535)</b>	<b>\$ (1,444,794)</b>

# Projected Comparison

	FY2018	FY2019	Variance
Taxes	\$ 100,290,991	\$ 105,948,349	\$ 5,657,358
State Aid	\$ 12,738,266	\$ 11,825,058	\$ (913,208)
Local Receipts	\$ 13,635,607	\$ 12,564,545	\$ (1,071,062)
Other Financing Sources	\$ 7,089,556	\$ 6,878,236	\$ (211,320)
<b>Total Revenue</b>	<b>\$ 133,754,420</b>	<b>\$ 137,216,188</b>	<b>\$ 3,461,768</b>
Education Appropriation	\$ 45,751,858	\$ 48,039,451	\$ 2,287,593
Town Depts. Approp.	\$ 35,237,953	\$ 36,118,904	\$ 880,951
Waste Disposal	\$ 3,013,658	\$ 3,104,068	\$ 90,410
Snow & Ice Removal	\$ 1,250,000	\$ 1,250,000	\$ -
State Assessments	\$ 2,650,379	\$ 2,722,184	\$ 71,805
Pension Costs	\$ 16,939,961	\$ 18,485,572	\$ 1,545,611
Insurance & Employee Benefits	\$ 15,361,601	\$ 16,431,526	\$ 1,069,925
Debt and Interest	\$ 8,721,758	\$ 8,988,291	\$ 266,533
Capital Projects & OFU	\$ 4,827,252	\$ 4,251,727	\$ (575,525)
<b>Total Expenditures</b>	<b>\$133,754,420</b>	<b>\$139,391,723</b>	<b>\$ 5,637,303</b>
<b>Projected Surplus/(Deficit)</b>		<b>\$(2,175,535)</b>	<b>\$ (2,175,535)</b>

# FY2018 & FY2019 Budget Issues & Beyond

- Community Preservation Act (CPA)
- Unfunded Pension Liability & OPEB
- Collective Bargaining
  - Two (2) Town Unions (FY2017-2019)
- School System Items
  - Owner Project Manager (OPM)/Designer Services
  - Three (3) Elementary Schools' Project
  - High School Project
  - Third Party Review Implementation
  - Merge/Combine Facilities Management
- Community Development & Planning
  - Comprehensive Plan Implementation
  - Transportation Management Association
  - I-Cubed
  - Community Path
  - ESCO Measurement & Verification
- Public Safety
  - Fire Chief Recruitment
  - Community Policing Initiatives
  - COPS Hiring Program
- Park Improvements
  - Grove Street End/Filippello Park
  - Moxley Courts Renovations & Lighting
  - Casey Park
  - Filippello Park Lights & Scoreboard
  - Victory Field Phase 2
- Building Improvements
  - Fire Stations
  - Administration Building
- Street & Sidewalk Improvements
  - FY2018 Loan Order at \$2.5M
  - Four (4) Loan Orders at \$2.5M (FY2019-2022)
  - Related Water-Sewer Improvements
  - Mount Auburn Street Project - Design
- Bond Market
  - Upcoming Bond Sales
  - Maintain AAA Bond Rating
- Future Local Aid/Economy Driven Revenues
- Insurance and Employee Benefits
- Snow & Ice Removal
- Town Council Budget Guidelines/Conceptual Recommendations
  - Redesign Town's Website/Social Media Presence
  - New Smart Parking Meter Equipment for Municipal Parking Lots/Streets
  - Re-use of Town Buildings
  - Replacement of Residential/Commercial Water Meters
  - Funding Options for Stormwater Infrastructure Improvement
  - Shared/Regionalized Services
- Review of Recommendations and/or Implementation
  - Public Safety Study
  - DPW Staffing & Operational Assessment
  - DLS Financial Management Review
  - Munis Payroll Project

